GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:135
ANSWERED ON:02.08.2005
INDO-PAK TRADE
Murmu Shri Rupchand

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the status of trade between India and Pakistan during the last three years;

(b) whether there has been a decline in the trade between India and Pakistan during the said period and the current financial year;

(c) if so, the reasons therefor; and

(d) the steps taken by the Government to boost trade between the two countries?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 135 TO BE ANSWERED ON 02.08.2005 REGARDING INDO-PAK TRADE.

(a) Statement showing the bilateral trade between India and Pakistan during the last three years and during April - May 2005 is given below.

(Value: in crores of Indian Rupees)

YEAR	EXPORTS TO PAKISTAN	IMPORTS FROM PAKISTAN	TOTAL TRADE BILATERAL TRADE	TRADE BALANCE	% GROWTH IN THE
2002-2003	997.73	217.05	1214.78	780.68	-
2003-2004	1318.52	264.90	1583.42	1053.62	30.34
2004-2005	2271.03	428.33	2699.36	1842.70	70.47
2004-2005 (April to May)	413.27	27.84	441.11	385.43	-
2005-2006 (April-May) (Provisional)	365.83	79.55	445.38	286.28	1.00

Source: DGCI&S, Kolkata

(b) & (c): No Sir. The above figures show that the volume of trade between India and Pakistan has shown a positive growth. During the year 2004-2005, the volume of bilateral trade was valued at Rs. 2699.36 crores as compared to Rs. 1583.42 crores during 2003-2004 registering an increase of 70%. As per the provisional data available, during April-May 2005, the volume of bilateral trade has been valued at Rs. 445.38 crores as compared to Rs. 441.11 crores during the same period in 2004 registering an increase of around 1%.

(d) India accorded Most Favoured Nation (MFN) status to Pakistan in 1996 and Pakistan has so far notified 768 items that can be imported from India into Pakistan.

In the meeting between the Commerce Ministers of India and Pakistan in the wings of the Fourth SAARC Commerce Ministers Meeting held in Islamabad on 22-23 November, 2004, both sides agreed for setting up of a Joint Study Group (JSG) at the level of Commerce Secretaries of both countries for adopting a strategy for boosting trade between India and Pakistan. The first meeting of JSG was held in New Delhi on February 22-23, 2005 and detailed discussions took place on promotion of trade and economic cooperation for the mutual benefits of both countries. The JSG constituted two Working Groups - (1) on Customs Cooperation and Trade Facilitation Measures and (2) on Non-Tariff Barriers. The Terms of References (TOR) were mutually agreed upon. The recommendations of the JSG would be submitted to the respective Governments for consideration under the framework of the Composite Dialogue. The setting up of JSG is expected to pave the way for enhanced volume of bilateral trade as both the countries would strive to address the problems relating to non-tariff barriers and customs cooperation.